



FOR IMMEDIATE RELEASE

June 25, 2009

## **MAYOR JERRY SANDERS FACT SHEET**

### **MAYOR'S PAYROLL CUTTING EFFORT SUCCEEDS**

#### *Fiscal Year Closes with Payroll Costs Lower Than Mayor's First Year in Office*

Mayor Sanders has announced that next week, when the City closes the books on its fiscal year, payroll costs will end up lower than in his first year in office. The Mayor says the City will have spent 2.5% less than the previous year and is on track for more reductions in the next fiscal year.

“This is good news for taxpayers and good news for the City,” said Mayor Sanders. “We’re back on track with our payroll cutting efforts and well ahead of inflationary trends,” he said. “In fact, we’re spending about \$50 million less than would have been expected had we allowed our payroll cost to just follow the rate of inflation, said the Mayor.

Since taking office, Mayor Sanders has cut positions, reorganized City operations and worked to keep payroll costs down. Despite inflationary pressures and salary increases for some employee groups that affected payroll costs in the 2008 fiscal year, there has continued to be a downward trend on payroll costs in each of the Mayor's balanced budgets.

#### **CITYWIDE SALARIES AND WAGES EXPENSES (IN THOUSANDS)**

<b>Fiscal Year</b>	<b>Expenses (in thousands)</b>	<b>Percentage increase/reduction(-)</b>
<b>2005</b>	699,885	N/A
<b>2006</b>	702,022	0.31%
<b>2007</b>	665,146	-5.25%
<b>2008</b>	712,577	7.13%
<b>2009 (projected)</b>	694,544	-2.53%

### **COSTS TRENDING DOWN DESPITE SOME SALARY INCREASES**

The Mayor has had to budget for salary increases offered to employees by previous administrations and to fulfill promises to protect and maintain public safety. Even so, the balanced budgets the Mayor has developed during each year of his administration have sought to reduce positions and payroll costs.

### **HISTORY OF SALARY INCREASES SET TO END**

Mayor Sanders has successfully ended the upward trend for City salaries. Following on the success of this year's payroll cutting effort, the Mayor's budget for next year anticipates more than \$40 million savings coming from the 6% reduction in compensation affecting most City employees.

<b>FISCAL YEAR</b>	<b>EFFECTIVE DATE</b>	<b>MEA</b>	<b>AFSCME LOCAL 127</b>	<b>FIRE LOCAL 145</b>	<b>POA</b>
<b>FY 2002</b>	7/1/2001	-	-	5.0%	5.0%
	12/22/2001	5.0%	5.0%	-	-
<b>FY 2003</b>	7/1/2002	-	-	1.0%	2.0%
	12/21/2002	1.0%	1.0%	-	-
<b>FY 2004</b>	7/1/2003	-	-	2.0%	2.0%
	12/20/2003	2.0%	2.0%	2.0%	2.0%
	6/30/2004	2.0%	2.0%	-	-
<b>FY 2005</b>	7/1/2004	-	-	4.0%	4.0%
	12/18/2004	3.0%	3.0%	2.0%	3.0%
	6/30/2005	3.0%	3.0%	-	-
<b>FY 2006</b>	7/1/2005	-	-	-	-
	7/2/2005	-	-1.9%	-	-
<b>FY 2007</b>	7/1/2006	-	-	-	-
<b>FY 2008</b>	7/1/2007	4.0%	4.0%	-	6.0%
	12/28/2007	-	-	-	2.0%
<b>FY 2009<sup>1</sup></b>	7/1/2008	-	1.9%	3.0%	3.0%
	9/1/2008	-	-	2.0%	-
	12/26/2008	-	-	-	3.0%
<b>FY2010<sup>2</sup></b>	7/1/2009	-3.0%	-	-	-1.5%

<sup>1</sup> Local 127 -1.9% reduction ceased in FY2009 due to the City not meeting obligations in Article 44 of the FY 2006-2008 Local MOU

<sup>2</sup> MEA Employees have the option of taking a 3% salary reduction or the Employer SPSP Mandatory Match reduction